



New Communication on the Role of the Private Sector in Development

Policy Forum on Development

Meeting of the Latin America and Caribbean region

25 June 2014

New Communication on Private Sector in Development

Table of contents

- 1** POLICY CONTEXT AND PURPOSE
- 2** STAKEHOLDER CONSULTATIONS
- 3** STRUCTURE AND CONTENTS:
Principles, Actions, Tools
- 4** THE WAY FORWARD

Global policy context of the new Communication: *"A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries"*

■ **Agenda for Change:**

- ⇒ Calls for making the private sector a main partner in development
- ⇒ Aims for greater use of blending to mobilise private capital
- ⇒ Strengthening private-public collaboration in other sectors (e.g. energy, agriculture, infrastructure)

■ **Busan HLF on Aid Effectiveness:**

- ⇒ Recognizes central role of the private sector in development and encourages closer private-public engagement for development.

■ **Post-2015 global agenda and Rio+20 (SDGs):**

- ⇒ Private sector as main partner in developing and implementing post-2015 agenda.
- ⇒ Role of private sector in transition to a green economy.

*"...sustainable development... can only be achieved with a broad alliance of people, governments, civil society and private sector, all working together to secure the future we want for present and future generations."*³

Why a Communication on the role of the private sector in development?

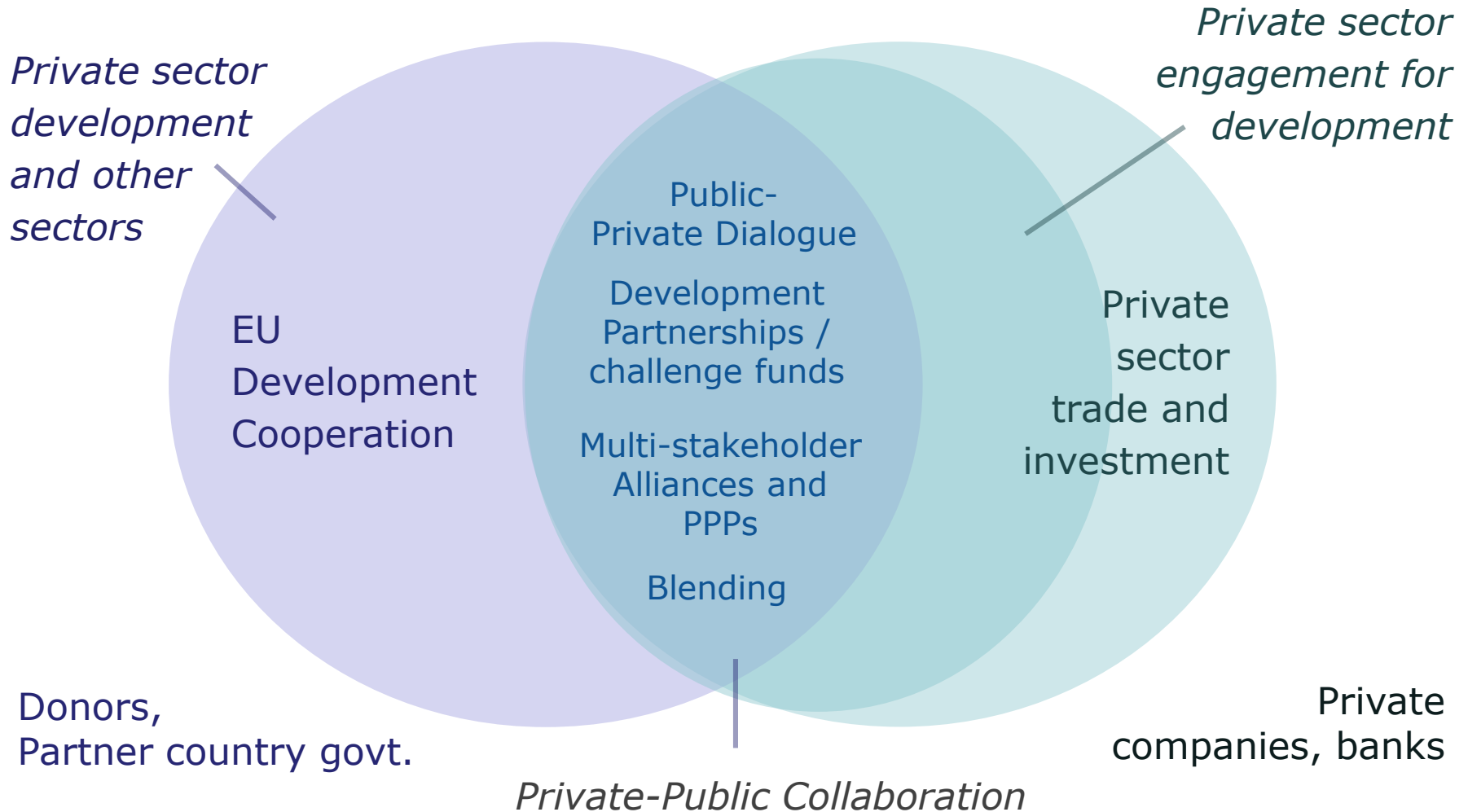
- The new Communication updates our **private sector development strategy** in light of a changing world.
- The private sector plays a central role in many areas of EU development cooperation. The Communication provides a strategic framework for **mainstreaming** private sector development and engagement across sectors.
- Interactions between donors and the private sector have intensified and become more complex. The new Communication defines **principles and criteria** to guide the EU's engagement with the private sector.
- Proposes a **framework for dialogue and joint action with businesses** to harness the private sector as a driving force in achieving inclusive and sustainable growth.

New Communication on Private Sector in Development

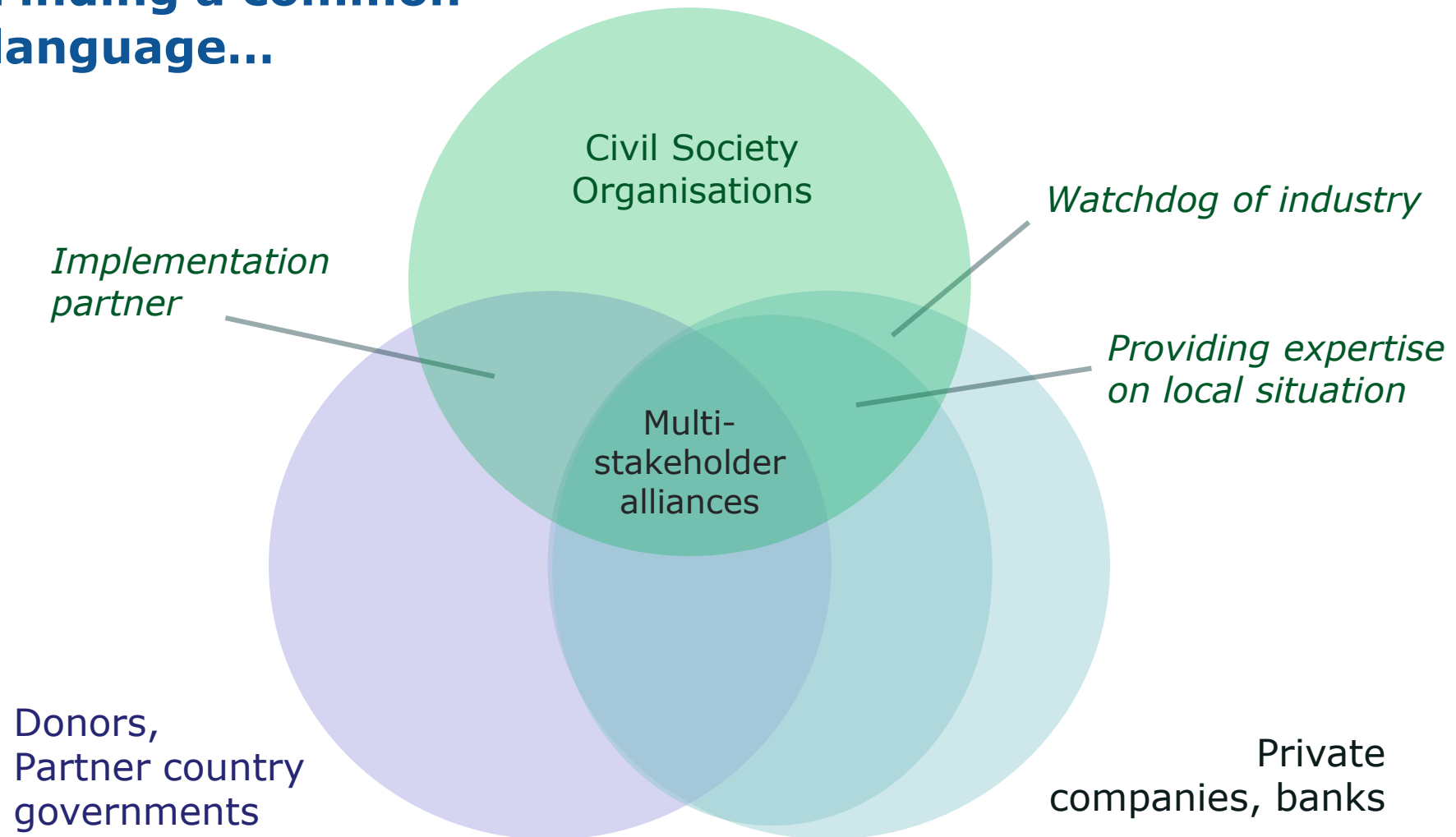
Table of contents

- 1** POLICY CONTEXT AND PURPOSE
- 2** STAKEHOLDER CONSULTATIONS
- 3** STRUCTURE AND CONTENTS:
Principles, Actions, Tools
- 4** THE WAY FORWARD

Finding a common language...



Finding a common language...

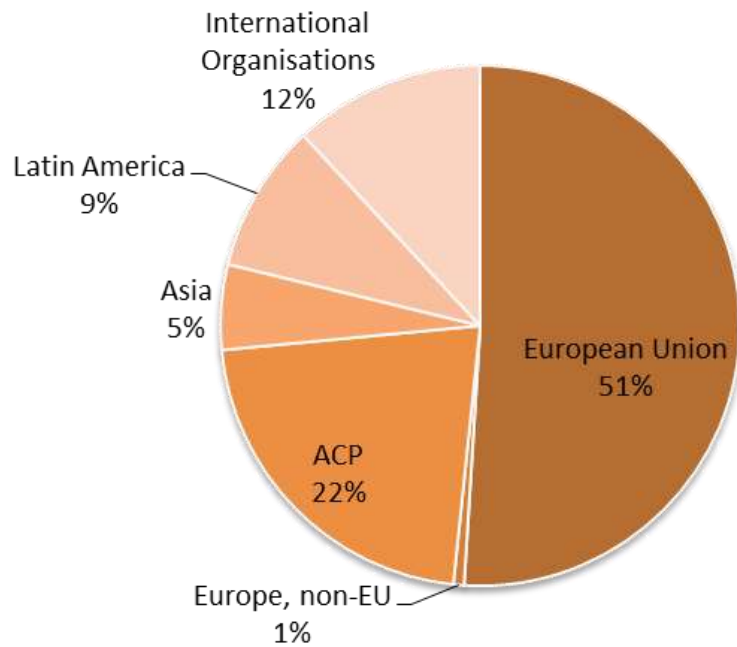


Stakeholder consultations (Oct. 2013 – March 2014)

- **EU Member States:**
EU Expert Group meetings; national events; CODEV meetings
- **European Private Sector:**
General and sectoral dialogue; meetings with associations, companies
- **Civil Society / NGOs:**
EESC Exploratory Opinion; Policy Forum with CSOs and LAs;
consultation meeting with CSOs and private sector; EDD side event
- **Partner countries:**
Regional consultation events in Uganda, Cameroon, South Africa;
28 national consultations at EU Delegations in Africa, Asia, Latin America.
- **Approx. 200 written contributions**
from Member States, International Organisations, private sector, NGOs,
individual experts, partner countries and EU Delegations.

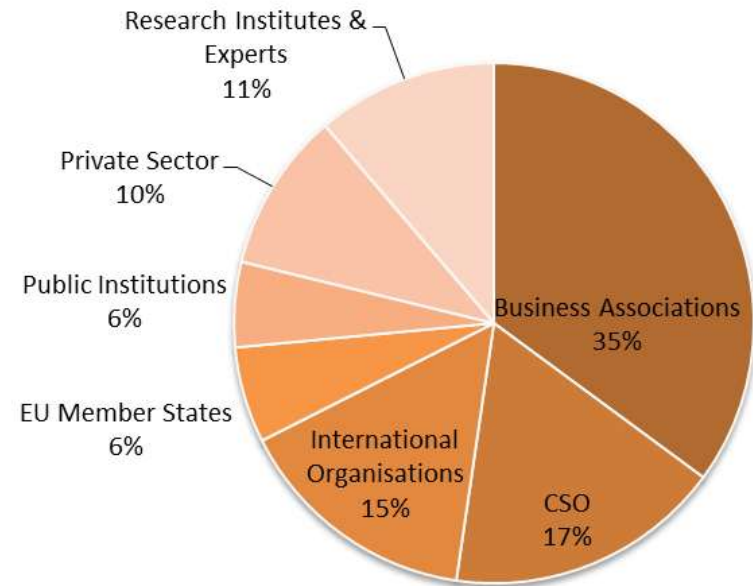
① Consultations report available at http://ec.europa.eu/europeaid/what/economic-support/private-sector/documents/psd-consultation-report-may-2014_en.pdf

Stakeholder consultations – written contributions



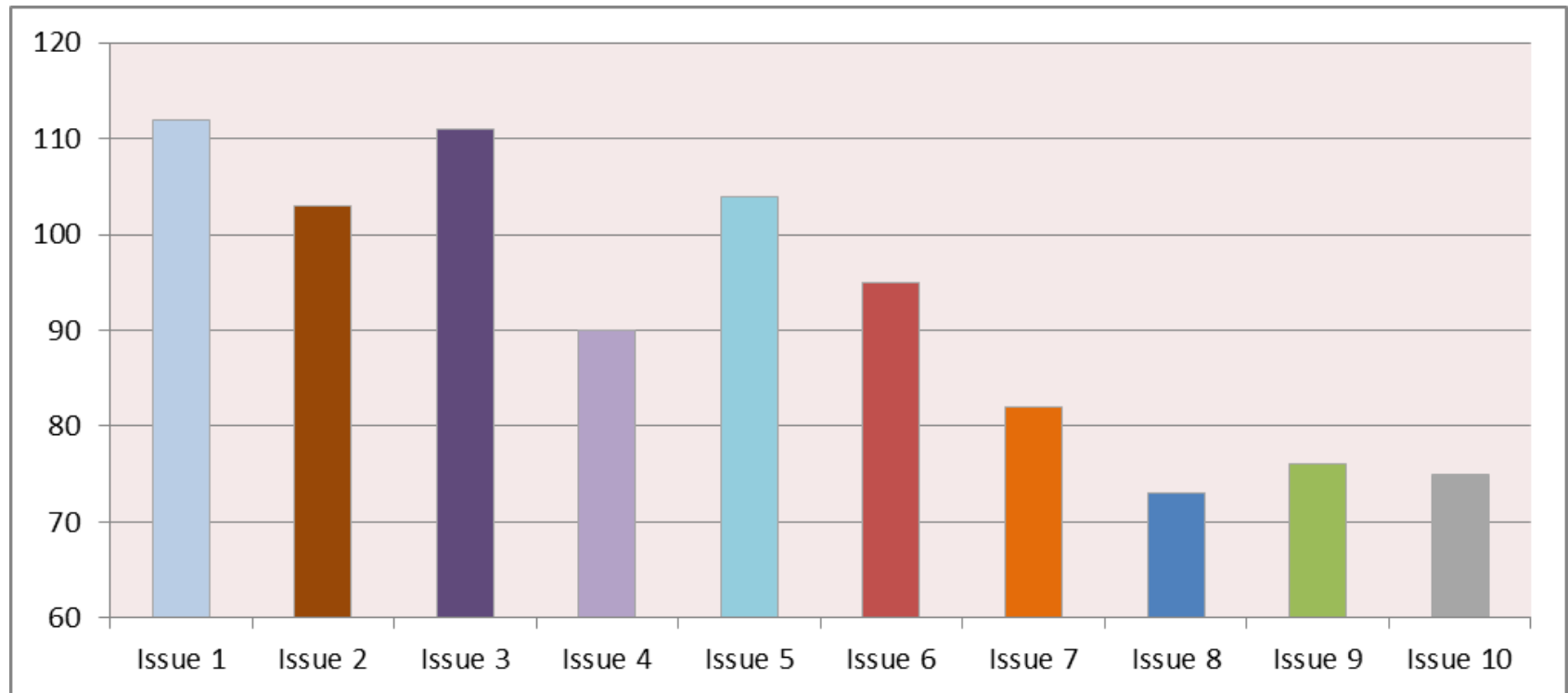
By geographical area

Repartition by stakeholder group



Stakeholder consultations – written contributions

Most popular Issues by number of answers

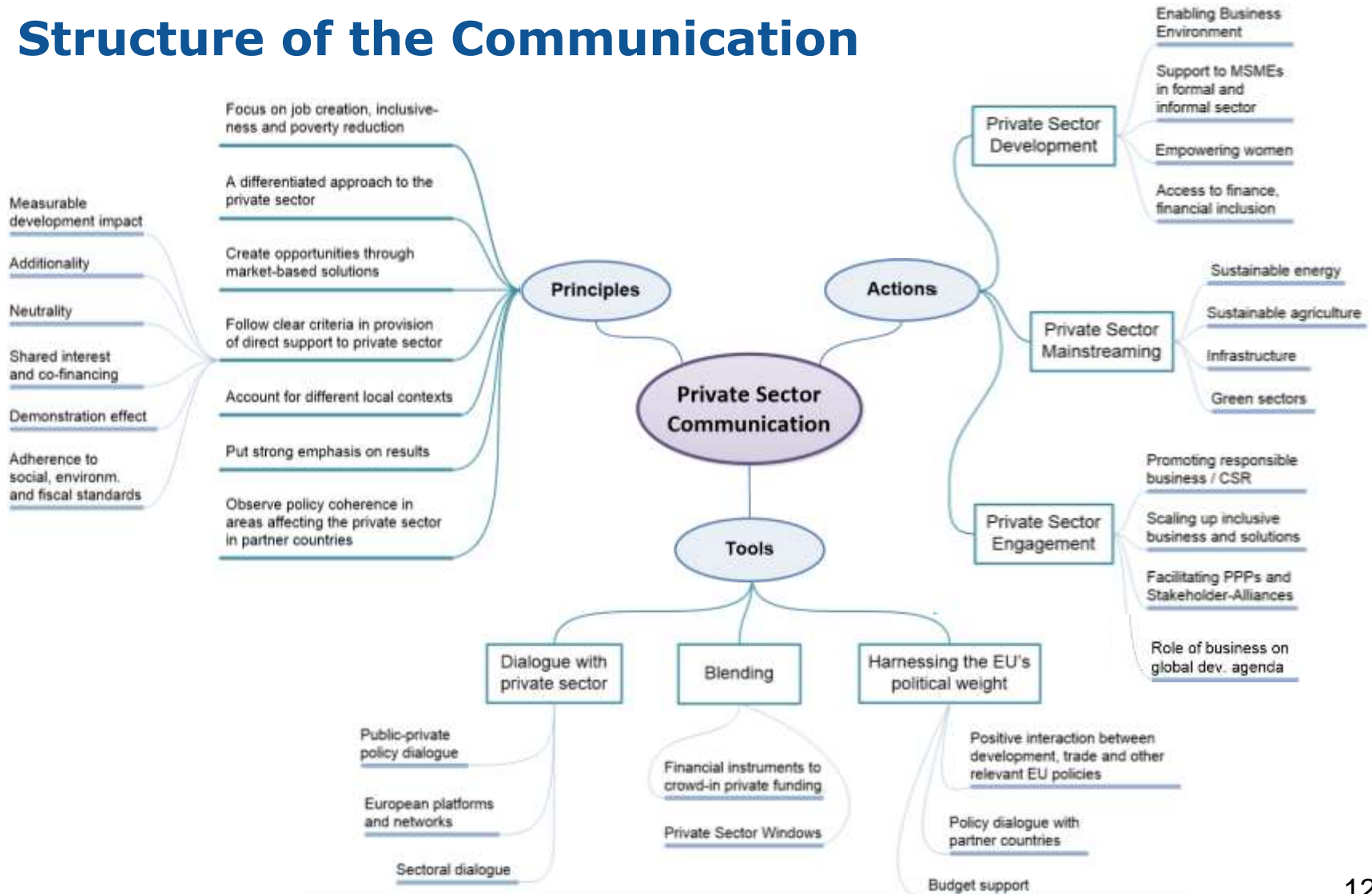


New Communication on Private Sector in Development

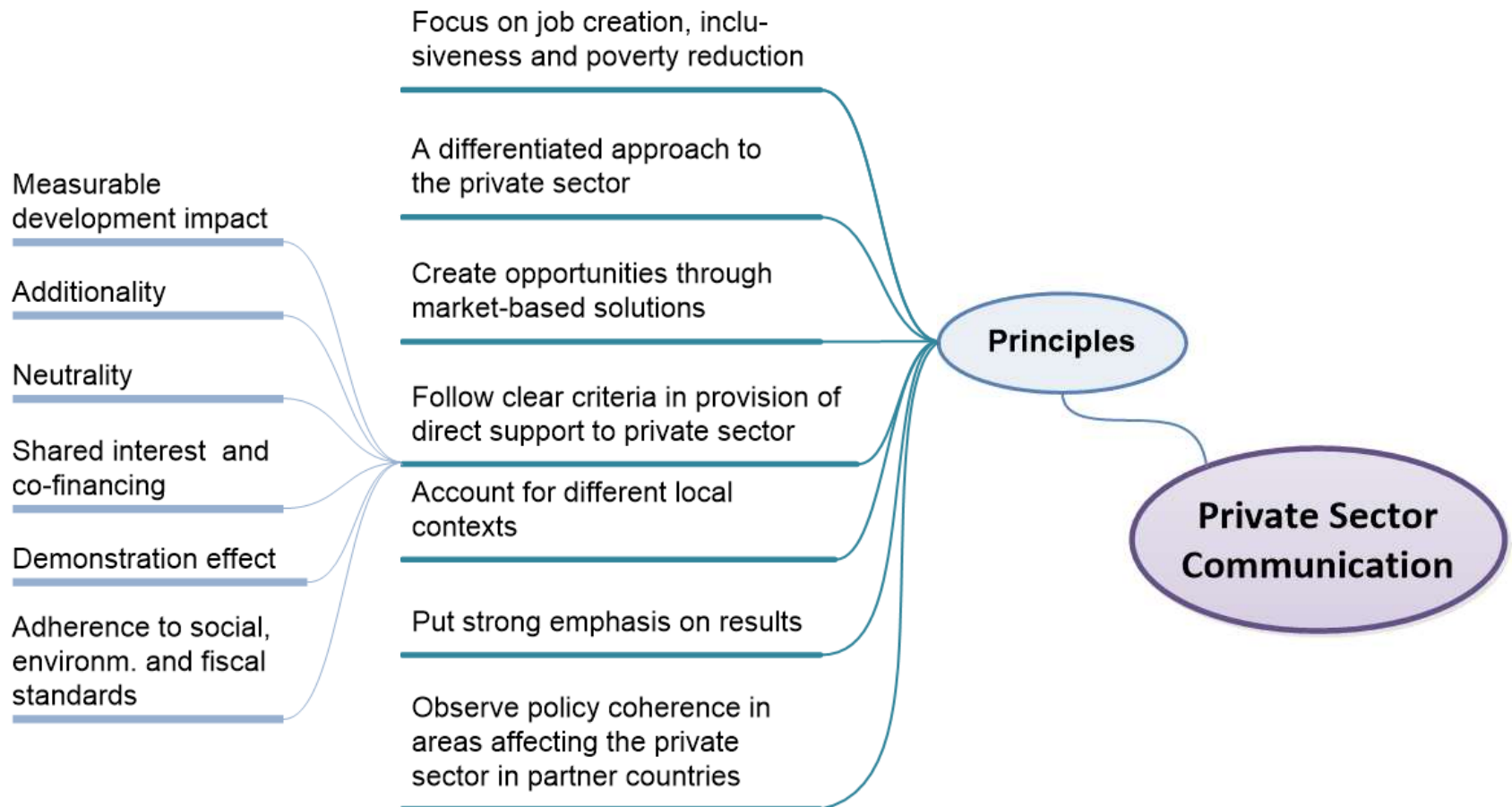
Table of contents

- 1** POLICY CONTEXT AND PURPOSE
- 2** STAKEHOLDER CONSULTATIONS
- 3** STRUCTURE AND CONTENTS:
Principles, Actions, Tools
- 4** THE WAY FORWARD

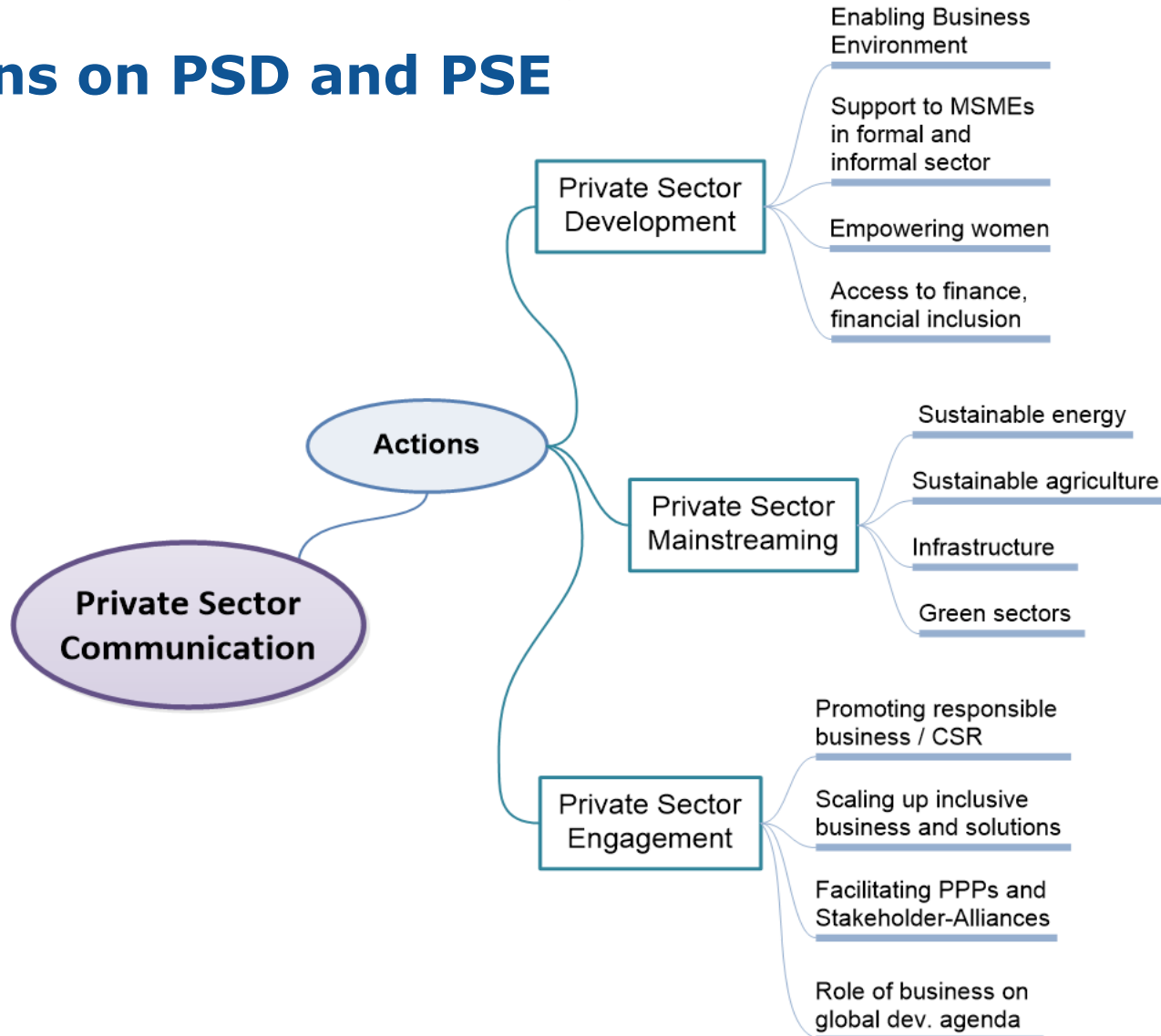
Structure of the Communication



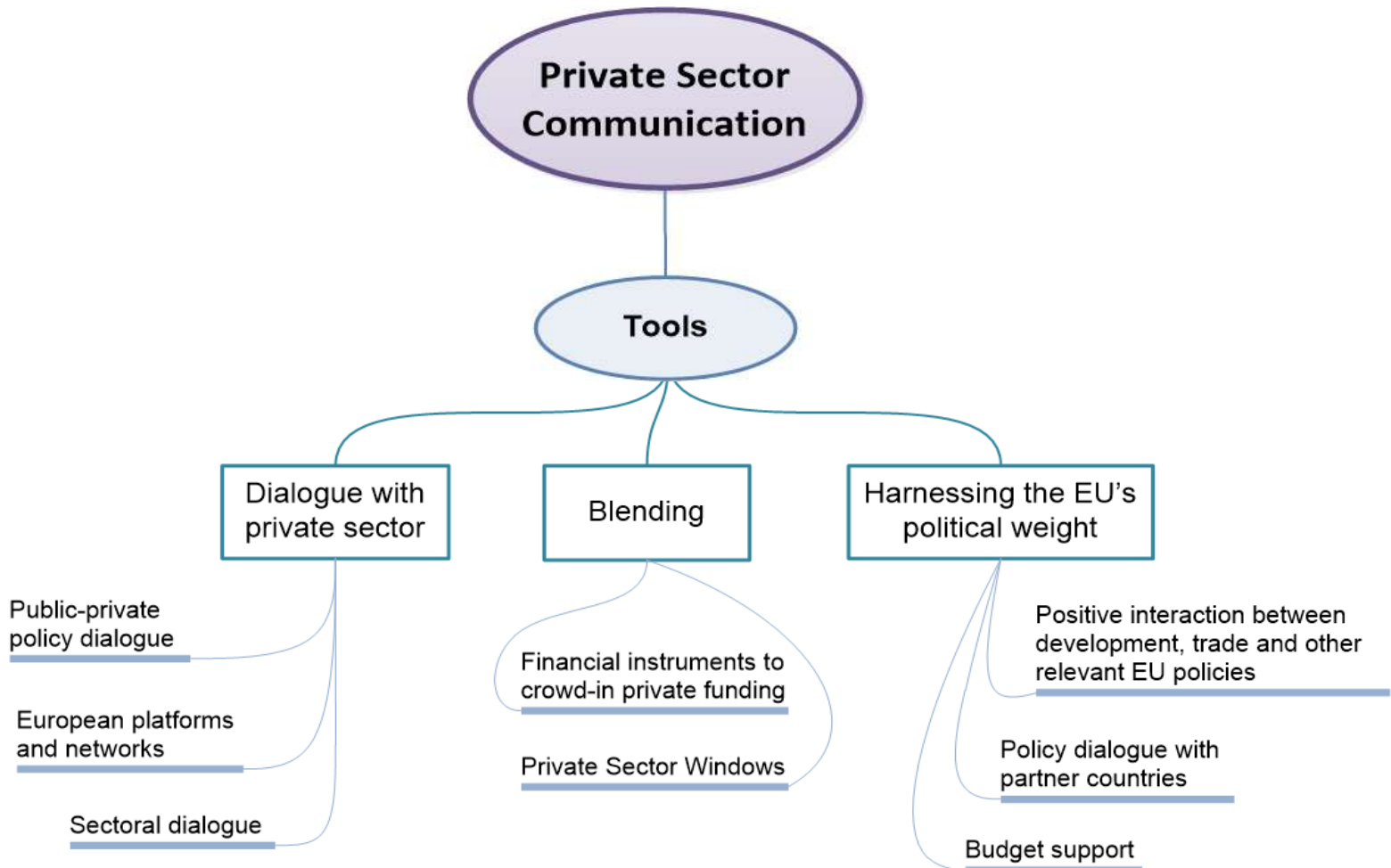
Proposed principles for strengthening the role of the private sector in EU development cooperation



Actions on PSD and PSE



Tools for implementation



New Communication on Private Sector in Development

Table of contents

- 1** POLICY CONTEXT AND PURPOSE
- 2** STAKEHOLDER CONSULTATIONS
- 3** STRUCTURE AND CONTENTS:
Principles, Actions, Tools
- 4** THE WAY FORWARD

The way forward

- **The Communication** proposes a **framework for public-private dialogue and effectively joint action with private sector** as a driving force in achieving inclusive and sustainable growth by:
 - **At Global Level:** reinforcing existing initiatives, including the Policy Forum on Development (PFD), to enhance coordination among individual European platforms and programmes.
 - **Next PFD October 2014**
 - **At sector level:** more direct interaction with companies and their sectoral associations to encourage more PSE and market-based solutions in sustainable agriculture and agribusiness, sustainable energy, infrastructure and social sectors.

- **Draft Council Conclusions on the Communication:**
 - ⇒ calls for increased focus on support to MSMEs, and social enterprises and cooperatives, in both the formal and informal sectors.
 - ⇒ need to strengthen PSE for development, through innovative and soundly managed PPPs, notably with a meaningful role for CSOs.
 - ⇒ importance of inclusive business models and enhanced dialogue between national and local authorities, private enterprises, social partners, the civil society and academia, in light of their joint responsibility in achieving development objectives.



Thank you!

Unit C4 - Private Sector Development, Trade, Regional Integration
European Commission, DG DEVCO – EuropeAid